(b) and (c) OMCs set up LPG distributorships at viable locations as per their commercial considerations and it is a continuous process. State-wise targets for setting up of distributorships are not fixed by OMCs in a given year.

Subsidy on LPG and Kerosene

2186. SHRIMATI BIMBA RAIKAR: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government have decided to continue providing subsidy on both LPG and Kerosene till March, 2007;

(b) what is the present quantum of subsidy being provided both for LPG and Kerosene;

(c) whether the oil marketing companies have sought for sharing of the subsidy burden by upstream companies like ONGC and GAIL; and

(d) if so, what is Government's reaction thereon?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) Yes, Sir.

(b) The per unit Government subsidy on domestic LPG and PDS Kerosene during 2004-05 is Rs. 40.65/cylinder and Rs. 1.47/litre respectively. In addition, oil PSUs are sharing the burden of subsidizing these products.

(c) Yes, Sir.

(d) ONGC, GAIL and OIL have agreed to share the burden of under-recoveries of Oil Marketing Companies on PDS Kerosene and Domestic LPG.

Review of Fuel Pricing Policy

2187. SHRI N.K. PREMACHANDRAN: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Government would review the fuel pricing policy;

(b) whether Government would impose control over the petroleum companies in view of the frequent and unwarranted increase of fuel prices;

(c) if not, the reasons therefor; and

(d) what is the reaction of Government on reducing the price of petroleum products by slashing their tax rates?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) to (d) Increases in international oil market prices would be reflected in the domestic consumer prices of petroleum products. However, steps have been taken to contain the impact of such increases in the domestic consumer prices of four major products, *viz.,* PDS Kerosene, Domestic LPQ Diesel and Petrol. PDS Kerosene and Domestic LPG are subsidized products. In addition to the Government subsidy, oil PSUs have been sharing the burden of subsidizing these products. In consequence, despite the steep increase in international prices since the announcement of the dismantling of the Administered Pricing Mechanism in the petroleum sector effective 1.4.2002, the selling prices of these products have not been increased except for an increase of Rs. 20 per cylinder in the retail selling price of Domestic LPG effective 16.6.2004. As regards Diesel and Petrol, a price band mechanism has been put in operation effective 1.8.2004, as per which oil companies can effect price revisions only within a prescribed price band.

Effective mid-night of 18th/19th August, 2004, customs duties on PDS kerosene, LPG, Diesel and Petrol were reduced by 5% each and *ad-valorem* excise duties on PDS Kerosene, Diesel and Petrol were reduced by 4%, 3% and 3% respectively.

CNG Outlets in Major Cities

2188. SHRI SUDARSHAN AKARAPU: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to states

(a) whether Government propose to set up CNG outlets in major cities of the country in view of ever-growing. pollution on account of vehicular traffic;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) and (b) GAIL supplies natural gas through gas pipeline network to Mumbai and Delhi through its Joint Ventures, M/s Mahanagar Gas Limited (MGL) in Mumbai and M/s Indraprastha Gas Limited (IGL) in Delhi. 84 CNG outlets in Mumbai and 122 CNG outlets in